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ARIZONA LABOR MARKET INFORMATION

NEWSLETTER

Vol. IX No. 11
November 1985

Unemployment Rate

Seasonally Adjusted
September*

ARIZONA	6.6%
Maricopa Co.	5.2%
Pima Co.	5.4%
UNITED STATES	7.1%

Consumer Price Index

National-August
1967 - Base Year

Wage Earner/Clerical Worker -	319.6
% Chg. Yr. Ago	3.0
All Urban -	323.5
% Chg. Yr. Ago	3.4

Phoenix-3rd Qtr.
1977 - Base Year

All Urban -	191.4
% Chg. Yr. Ago	4.5

Producer Price Index

National-September*
1967 - Base Year

All Commodities	305.8
% Chg. Yr. Ago	-1.1
Finished Goods	290.2
% Chg. Yr. Ago	0.2

* Preliminary

Employment and disability

Individuals with disabilities represent a large, heterogeneous, and almost undefinable part of the population in Arizona. Organizations and individuals in need of tabulated summaries for future planning would agree that numerical estimates are very hard to obtain because of the prevalent cloudiness surrounding definitions and characteristics of handicapped individuals.

This article will present a condensed profile of the people with work disabilities in Arizona according to the 1980 Census. It will also explore the reasons for the largely underutilized labor pool of handicapped individuals despite government intervention. It will point out various ways to successfully overcome obstacles to hiring persons with disabilities while describing the benefits employers and employees stand to gain in the process.

Impairment ≠ Disability ≠ Handicap

Awareness about the difference between these terms is needed because too often confusion arises resulting in misleading interpretations.

- Impairment: the temporal or permanent loss or defect of any structure, function (including mental), or system in the body, resulting from any cause (organ-level disturbance), e.g., skeletal.

- Disability: the objective experience as a consequence of impairments in terms of functional performance in daily activities (person-level disturbance), e.g., walking.

- Handicap: the social and environmental consequences for the individual as a result of impairments or disabilities

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Arizona Labor Market Information Newsletter
WINNER OF THE ICESA 1985 LMI PUBLICATION AWARD

Nancy Augustin, editor
Processed by RA Clerical Support Unit

(group-level responses -- disadvantage), e.g., mobility.

Nearly 9.1 percent of non-institutionalized individuals between 16-64 years of age have work disabilities.

In 1980, 155,360 non-institutionalized adults between 16-64 years of age identified themselves as having a disability, limiting their ability to work. Of that number, 50 percent were prevented from working as a direct result of their disability, while 75 percent of the individuals not prevented from working were in the labor force.

The size of the group in itself would generate special interest from an economic point of view, but the consequences of having work disabilities are serious not only for the individuals involved but to society as a whole. In the presence of disability, earnings are curtailed or eliminated and income is lowered, accompanying a series of personal problems arising from the loss of work status and independence. The economy also suffers when useful skills go underutilized, and the government's transfer payments increase accordingly with the income supplements needed.

Individuals with work disabilities were only about two-thirds as likely to be in the labor force as those with no work disabilities.

The presense of a work disability has a negative impact on the likelihood of labor force participation, often as a result of discouragement or preconceived doubts surrounding their ability to qualify for a job. Technological advancements are facilitating and gradually increasing the participation of individuals with disabilities in the labor force. Severely limited individuals are able to work by taking advantage of the technological adaptations of workplaces such as a TDD (telecommunications device for the deaf) or TTY (teletypewriters) also for the deaf, enabling them to communicate in the absence of interpreters. Gradually, more companies are relying on computer specialists who are able to do the job without having to leave their place of residence -- the ideal situation for a person with limited mobility.

Among all persons in the labor force, those with work disabilities had a greater chance of being unemployed and of earning lower incomes.

The unemployment rate for people with work disabilities is 4.1 percentage points higher than those with no work disabilities.

The unemployment rate reached 10.3 percent for people with work disabilities while the rest of the labor force suffered only a 6.2 percent unemployment rate in 1980. This leads one to believe that a major obstacle to equitable employment opportunities for people with handicaps (regardless of the law or any competitive qualifications) is the employer's perception of the capability of the prospective employee to do the job well.

Enormous progress is being made year after year in altering the attitudes of hiring personnel to make them evaluate a person with disabilities in terms of their skills, knowledge, and previous employment records. However, there are still many who, because of lack of exposure to handicapped individuals' abilities, can only evaluate them in terms of their limitations for the job.

Nearly 20 percent of those with work disabilities have incomes below the poverty level.

Several ways to assess the financial comparability of individuals have been devised, and all of them show a definitive negative correlation between the presence of a work disability and income. The percent of people earning less than $5,000 per year is almost double for individuals with work disabilities and at least 10 percentage points lower if compared with people earning $8,000 or more. As a consequence of lower earnings, there is a greater proportion of handicapped individuals (6 percentage points) under the poverty level than people without work disabilities. In fact, about 68 percent of handicapped applicants placed by the Job Service in Arizona during the second half of 1984 were placed at a wage below $5.00 per hour.

Nearly 8,100 handicapped individuals sought employment through the Job Service during the second half of 1984.

The Job Service offices are not the only source of job-ready individuals with work disabilities. There are many public and private organizations providing trained and employable handicapped individuals to the labor market.

The Vocational Rehabilitation Program served over 12,000 individuals with disabilities during last federal fiscal year. Of these, 13 percent were satisfactorily employed for over 60 days. The Job Service placement rate for job seekers with disabilities was just about 13 percent, suggesting that a surplus of employable handicapped individuals exists in relation to the jobs available for them.

In Arizona, job seekers with disabilities have job interests that range from managerial and professional to benchwork occupations. Their skills and experience are as diverse as the nature of their disabilities.

Almost 40 percent of individuals with work disabilities in Arizona have less than a high school level education.

There is a negative correlation between work disabilities and education. The negative correlation may be present because some developmentally disabled individuals were included in the count of individuals with work disabilities while their vocational abilities did not satisfy the specified academic level. Whatever the reason, the fact is that a high educational level enhances the opportunities for employment, usually by broadening the choices of attainable jobs.

Over 42,000 individuals with work disabilities have educational levels beyond high school in Arizona and many of them are satisfactorily working professionally in the field of their choice. However, too many others are either underemployed or simply unemployed. (Nearly 14 percent of the handicapped Job Service applicants have better than a high school education.) Many highly-educated handicapped individuals find themselves without a place in the labor market, frequently as a consequence of poor career counseling. This stems from attempts to accommodate a career to an individual's disability while disregarding his potential and, more importantly, labor market demands. Getting trained for unavailable jobs defeats the purpose behind any educational program: to enable participants to earn their own living. Persons involved with career counseling should, ideally, be one step ahead of labor market demand, keeping a close relationship with the business community and a watchful eye for the economic turns affecting employment.

October 6-12 was National Employ the Handicapped Week.

Every year one week during early October is officially dedicated to promote and increase awareness about the handicapped employment problem. Why? Because unemployment and underemployment among the nation's individuals with work disabilities remains serious despite technological and medical advancements, rehabilitation, right-to-work legislation, modification of environmental barriers, placement programs, and gradual attitude changes. Attitudes are a product of society by which a person expresses his social opinion, influenced solely by personal experiences and the common beliefs of the society he lives in. Since erratic at-

titudes seem to be at the heart of the employment problem of people with disabilities, any proposed solution would have to include public persuasion of employers, handicapped individuals, and any other involved persons. Unfortunately, the solution is not as simple as it sounds since no one can really "know" what another experiences unless he or she is placed in the same situation and experiences the same thing.

The most significant public persuasion campaign ever introduced was the federal government's Rehabilitation Act of 1973.

The main objective of this far-reaching mandate was to encourage employers to hire qualified handicapped people while, at the same time, encouraging handicapped people to become a part of the labor force.

Section 503 of the Rehabilitation Act requires every employer under contract or subcontract with the federal government for more than $2500 to have an affirmative action plan for recruiting, hiring, and promoting individuals with handicaps. In other words, employers must actively seek handicapped individuals and, in connection with affirmative action, they must make reasonable accommodations to the physical or mental limitations of their handicapped employees or applicants. The employers covered under Section 503 are mostly private, profit-making companies who have an agreement with any agency of the federal government for the furnishing of supplies or services.

Section 504 of the Rehabilitation Act contains similar provisions for handicapped individuals with a few coverage adjustments. The employers covered under Section 504 of the Act are those who receive financial assistance either directly or indirectly from the federal government. Employers covered under this Section of the Act must insure a "nondiscretionary action" plan instead of the more demanding affirmative action plan.

Outlined below are some of the steps an employer should take in order to carry out a successful affirmative action program:

- SALARY: No reductions in pay should be made to any handicapped employee because he or she may be getting compensations from another source.

- OUTREACH: When a need for an active affirmative action plan is determined, an employer should:

  1. Build up acceptance of handicapped employees by communicating with managers, supervisors, and other employees.

  2. Take the necessary measures to assure that affirmative action is followed.

  3. Use all recruiting sources such as state employment services, Vocational Rehabilitation, sheltered workshops, college placement offices, state education agencies, labor organizations, and any other organizations serving handicapped people.

  4. Review employment records of handicapped employees to find out whether their full abilities are being used.

  5. Review applicant records to find out whether they are being hired for jobs they qualify for--not just for certain stereotyped positions.

- ACCOMMODATIONS: Employers must make "reasonable accommodation" to the limitations of handicapped employees or job applicants...unless the employer can show the accommodations would impose an undue hardship on his business. Accommodations might include:

  1. Providing access to the job, including parking, removal of any architecural barriers limiting free access to the job, and provision for easy movement and use of services within the building where the worksite is located.

  2. Job restructuring, including redefinition of duties, revision of job descriptions, or part-time work.

  3. Modification of equipment in the worksite including tools, furniture, or physical arrangements to the worksites.

4. Full access to the employment office or an alternate system for handicapped people to apply for jobs.

5. Any accommodations must be geared to the needs of individual applicants or employees.

An employer could obtain benefits by hiring persons with work disabilities.

In addition to meeting the legal requirements of the Act, the most significant gain to employers is perhaps the availability of a pool of job-ready applicants trained to meet their specifically-defined needs. Handicapped individuals hired through dependable rehabilitation agencies are usually doublescreened, highly motivated to work, and selectively placed for the appropriate job. In addition, there is an extra effort made by rehabilitating agencies to facilitate any adjustments to the work environment needed by the new hires.

Advocates for employment of the handicapped affirm that the hiring of handicapped workers is a sound business practice since a properly placed handicapped individual is an asset to his or her employer. Studies such as the Du Pont survey were conducted during the 70s to assess the performance of employed people with work disabilities. They revealed that such individuals were, for the most part, productive, dependable, and safe.

At a public hearing held October 12, 1982 by the Arizona Civil Rights Advisory Board, representatives of major insurance companies, the State Compensation Fund, the Industrial Commission, and rehabilitation specialists testified that they recalled no instance in which an injury to a handicapped employee in Arizona had caused an employer to suffer an increase in insurance rates. The Board concluded that hiring the handicapped individual is not likely to subject an employer to higher workmen's compensation premiums. Futhermore, it is very likely that any economic costs incurred by an employer because he or she has hired an individual with disabilities (including rehabilitation, modification, and even increased insurance premiums rates) is deductible from his or her income tax liability.

An updated version of the Du Pont survey was conducted during 1981, reiterating the findings from the last decade's survey. The following are the scores from the 1981 survey in terms of percent average and above average.

	Handicapped	Nonimpaired
Safety	96%	92%
Performance of Job Duties	92%	91%
Attendance	85%	81%

The study concludes that handicapped individuals, regardless of their impairment, are well able to meet the challenges of their jobs.

Another potential benefit open to employers who hire handicapped individuals is offered by the federal government in the form of a tax credit. By hiring a member of a targeted group, an employer can choose to take the Targeted Jobs Tax Credit.

This program represents another government effort to persuade employers to hire persons from groups with special employment needs. Among those qualifying groups are individuals with work disabilities who are vocational rehabilitation referrals.

The amount of credit allowed for a tax year may be as high as 50 percent of first-year wages plus 25 percent of second-year wages.

The Arizona Rehabilitation Services Administration estimates a benefit-to-cost ratio of 1.095 or 9.5 percent annual return on investment.

A total of 1,649 rehabilitants succeeded during the 1984 federal fiscal year, in improving their total annual earnings from $1.8 million at referral to $15.4 million when rehabilitated.

It is estimated that the following benefits to the government will be derived because of these earning improvements:

- a total of $12.9 million in state income and sales tax paid;

- a total of $30.1 million in federal income tax paid;
- a total of $21.37 million improvement in the Social Security Fund's cash flow; and,
- a $2.34 million reduction in public assistance payments.

With a 9.5 percent annual return on investment, not counting society's benefits, our state is very much compelled to continue its rehabilitation efforts for individuals with work disabilities.

SUMMARY: Handicapped individuals are a large segment of society. Therefore, any employment problem suffered by the group greatly impacts the individuals involved as well as society as a whole. There are dozens of private and public organizations dedicated to the improvement of employment opportunities for the handicapped, all of them complemented by government policies.

Government policies, in the form of tax incentives or requirements, encourage employers to hire individuals with disabilities.

Comparitive studies of handicapped workers with non-impaired workers suggest that work disabilities do not have a negative effect on productivity, safety, or the dependability of an individual with disabilities while employed.

Finally, by enhancing and creating more job opportunities for handicapped individuals, all parties involved benefit directly or indirectly in the process.

Clara Dunn

NEWSLETTER WINS ICESA 1985 LMI PUBLICATION AWARD!!

#1 This Newsletter is the best monthly labor market information (LMI) publication in the nation in 1985. So says the Interstate Conference of Employment Security Agencies (ICESA). A plaque testifying to this was presented to Dan Anderson, head of the Research Administration which houses the units responsible for the Newsletter's production.

There are three Research Administration sections and some support services to be thanked. We will begin where the Newsletter begins, with the statistics gathered each month by the Current Employment Statistics/ Local Area Unemployment Statistics Unit headed by Vic Conti. Without these labor force statistics, the Newsletter would have little purpose or continuity from month to month.

Next comes the Economic Analysis Section, headed by Ron Simon. This group of people analyzes the numbers and creates feature articles each month to give the Newsletter the needed rigor and newsworthiness required for such an award. Sometimes the articles involve the use of econometric models created by the section's economists and sometimes they involve the reporting and analysis of basic research. In every case, this group of people sifts through the data and creates the narrative to give the Newsletter coherence and readability. The editor of the Newsletter, a position which has changed hands twice during the award period, is also in this section.

Third, is the Clerical Support Unit headed by Judi Vieira, who is assisted by two other word processors, Linda Van Calcar and Joette Pitts. These three people work together and with the editor to produce the sharp, professional look of this award-winning Newsletter.

Last, but never least, is the Operations Support Section of DES's Division of Business & Finance. Without the continuing support of the Print Shop, Forms Management and Procedures, and the Mail Distribution Center, the Newsletter could not reach its users with timely statistics. All good products repeatedly produced are products of teamwork. Operations Support is a vital part of the Newsletter production team.

Congratulations and deepest appreciation for all the hard work. We will not only strive to keep up the standard, but will work towards an ever-improving LMI Newsletter.

ARIZONA UNEMPLOYMENT INSURANCE ACTIVITIES-AUGUST 1985

	August 1985	July 1985	August 1984	% Change From One Year Ago
Arizona Claimants Served*	33,526	31,633	29,649	+13.1%
Arizona Average Weeks Unemployed**	9.7	8.5	9.2	+ 5.4%
Arizona Benefits Paid*	$ 10,532,629	$ 9,787,353	$ 10,065,085	+ 4.6%
Arizona Trust Fund Balance	$321,324,292	$303,731,428	$231,074,129	+39.1%

*All Programs **UI Only

THE ARIZONA LABOR FORCE IN SEPTEMBER

The drop in Arizona's unemployment rate which occurred in August was short lived. After its first decline in nine months, the unemployment rate in September regained its upward trend, rising two tenths of a percentage point to 6.6 percent. Only Coconino, Santa Cruz, and Yuma counties recorded a drop in their unemployment rates. The unusually strong seasonal employment gains recorded in August did not continue in September. Because manufacturing, mining, and construction are expected to continue slipping in the months ahead, the unemployment rate should continue to rise.

Nationally, the economy appeared to be teetering at the edge of a recession six months ago. Declining production, huge federal deficits, and a rising trade deficit made it appear that a recession would be here in late 1985 or early 1986. Although those dark clouds of recession have lightened considerably in the last few months, 1986 still looks like a difficult year. With the national economy being alternately stagnant or growing slowly, Arizona's high flying economy will drop to a lower plateau throughout most of next year.

Following that trend, manufacturing lost 200 more jobs in September. While the defense-dominated aerospace sector added 500 jobs and seasonal hirings by apparel manufacturers and food processors contributed 200 and 100 more jobs respectively, our important electronics manufacturers cut their labor forces by 900. This is consistent with the trend observed in the last few months. Until defense contractors attain their required staffing levels, they will help to cushion the continuing losses in electronics. Then, manufacturing losses can be expected to accelerate.

Construction, which reached its employment peak in June, saw employment fall by 600 jobs to 109,900. The decline in construction employment began later than we had originally expected and has been slower than previously forecast. Considering the large number of commercial, retail, and multi-family structures under construction, it seemed inevitable that large layoffs would occur when they were completed. But continued building in these areas, coupled with a strong single-family market, have helped to push many layoffs into next year.

In the rest of Arizona's economy during September, employment changes were dominated by the end of summer and the accompanying return of students for another school year and preparations for the winter tourism season. While it is yet too early to know precisely, it appears that retailers are preparing for a strong holiday and winter tourist season. Employment increases in both the trade and services industries were broad based and together contributed another 6,100 jobs to the local economy.

Employment changes in September were generally as expected. Strong seasonal gains in trade, services, and government were offset by losses in manufacturing and construction. If it were not for the defense-related activity in aerospace and electronics companies, Arizona's economy would be sliding downward much more rapidly. But due to our very strong growth last year and early this year, some sectors are continuing to grow to bring themselves even with the rest of the economy. We are now moving sideways or declining slowly. The outlook well into next year is for more of the same.

Dan Anderson

September 1985 (in thousands)

	ARIZONA				
				-- Amt Change --	
	Sep.* 1985	Aug. 1985	Sep. 1984	Aug. to Sep.	1984 to 1985
TOTAL CIVILIAN LABOR FORCE**	1452.8	1425.8	1435.0	+27.0	+17.8
Total Unemployment	93.4	94.7	62.5	-1.3	+30.9
Rate	6.4	6.6	4.4	---	---
Rate (Sea. Adj.)***	6.6	6.4	4.5	---	---
Total Employment	1359.4	1331.1	1372.5	+28.3	-13.1

THE ABOVE LABOR FORCE STATISTICS SHOULD NO

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK

TOTAL WAGE AND SALARY	1262.9	1238.0	1195.2	+24.9	+67.7
Manufacturing	183.3	183.5	177.3	-0.2	+6.0
Durable Goods	144.7	145.3	139.7	-0.6	+5.0
Stone, Clay and Glass	8.5	8.5	7.5	+0.0	+1.0
Primary and Fabricated Metals	16.6	16.9	17.2	-0.3	-0.6
Primary Metals	7.1	7.2	7.3	-0.1	-0.2
Fabricated Metals	9.5	9.7	9.9	-0.2	-0.4
Machinery	69.0	69.9	69.8	-0.9	-0.8
Other Durable Goods	50.6	50.0	45.2	+0.6	+5.4
Aircraft and Missiles	23.5	23.0	20.6	+0.5	+2.9
Lumber and Wood Products (Except Furniture)	7.9	7.8	7.2	+0.1	+0.7
All Other Durable Goods	19.2	19.2	17.4	+0.0	+1.8
Nondurable Goods	38.6	38.2	37.6	+0.4	+1.0
Food and Kindred Products	8.7	8.6	8.3	+0.1	+0.4
Apparel	5.0	4.8	5.0	+0.2	+0.0
Printing and Publishing	14.2	14.3	13.8	-0.1	+0.4
All Other Nondurable Goods	10.7	10.5	10.5	+0.2	+0.2
Mining and Quarrying	11.2	11.2	12.9	+0.0	-1.7
Copper Mining	8.5	8.6	10.0	-0.1	-1.5
Other Mining and Quarrying	2.7	2.6	2.9	+0.1	-0.2
Construction	109.9	110.5	99.5	-0.6	+10.4
Trans., Communications, and Public Utilities	63.2	63.2	60.8	+0.0	+2.4
Transportation	28.7	28.5	28.2	+0.2	+0.5
Communications and Public Utilities	34.5	34.7	32.6	-0.2	+1.9
Trade	302.9	298.6	288.2	+4.3	+14.7
Wholesale Trade	62.7	62.0	59.3	+0.7	+3.4
Retail Trade	240.2	236.6	228.9	+3.6	+11.3
General Merchandise and Apparel	38.5	37.7	38.0	+0.8	+0.5
Food Stores	36.9	36.0	34.8	+0.9	+2.1
Automotive and Service Stations	29.5	29.7	27.9	-0.2	+1.6
Eating and Drinking Places	84.6	83.0	79.8	+1.6	+4.8
Other Retail Trade	50.7	50.2	48.4	+0.5	+2.3
Finance, Insurance, and Real Estate	78.0	77.8	72.5	+0.2	+5.5
Services and Miscellaneous	296.8	295.0	276.3	+1.8	+20.5
Hotels and Other Lodging Places	30.2	29.7	27.7	+0.5	+2.5
Business Services	69.2	68.0	63.5	+1.2	+5.7
Health Services	71.7	71.2	68.7	+0.5	+3.0
Other Services	125.7	126.1	116.4	-0.4	+9.3
Government	217.6	198.2	207.7	+19.4	+9.9
Federal	41.1	41.0	39.7	+0.1	+1.4
State and Local	176.5	157.2	168.0	+19.3	+8.5
School	102.3	81.9	99.7	+20.4	+2.6

* Preliminary
** Labor force, unemployment, and employment are reported by place of residence.
*** Normal seasonal variations have been eliminated to reflect underlying economic trends.
NOTE--Prepared in cooperation with the U.S. Department of Labor,Bureau of Labor Statistics.

September 1985 (in thousands)

MARICOPA COUNTY					PIMA COUNTY				
			-- Amt Change --					-- Amt Change --	
Sep.* 1985	Aug. 1985	Sep. 1984	Aug. to Sep.	1984 to 1985	Sep.* 1985	Aug. 1985	Sep. 1984	Aug. to Sep.	1984 to 1985
919.4	903.3	909.3	+16.1	+10.1	264.2	257.2	259.7	+7.0	+4.5
46.7	46.0	30.3	+0.7	+16.4	13.8	13.3	10.4	+0.5	+3.4
5.1	5.1	3.3	---	---	5.2	5.2	4.0	---	---
5.2	5.0	3.5	---	---	5.4	5.1	4.1	---	---
872.7	857.3	879.0	+15.4	-6.3	250.4	243.9	249.3	+6.5	+1.1

BE USED FOR ECONOMIC ASSISTANCE PROGRAMS

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT BY PLACE OF WORK

825.5	811.8	779.7	+13.7	+45.8	230.3	223.9	214.9	+6.4	+15.4
131.3	131.9	128.4	-0.6	+2.9	32.1	32.0	29.9	+0.1	+2.2
104.8	105.5	102.6	-0.7	+2.2	27.0	26.8	24.8	+0.2	+2.2
5.2	5.1	4.5	+0.1	+0.7					
10.8	11.1	10.9	-0.3	-0.1					
55.1	55.9	56.3	-0.8	-1.2					
33.7	33.4	30.9	+0.3	+2.8					
26.5	26.4	25.8	+0.1	+0.7	5.1	5.2	5.1	-0.1	+0.0
5.4	5.4	5.2	+0.0	+0.2					
3.2	3.1	3.0	+0.1	+0.2					
10.4	10.6	10.2	-0.1	+0.2					
7.5	7.4	7.4	+0.1	+0.1					
0.6	0.6	0.6	+0.0	+0.0	2.4	2.4	3.1	+0.0	-0.7
75.7	76.1	68.0	-0.4	+7.7	21.5	21.8	18.7	-0.3	+2.8
41.8	41.9	39.4	-0.1	+2.4	8.9	8.9	9.1	+0.0	-0.2
19.6	19.5	18.8	+0.1	+0.8	4.1	4.0	4.3	+0.1	-0.2
22.2	22.4	20.6	-0.2	+1.6	4.8	4.9	4.8	-0.1	+0.0
205.3	202.0	195.8	+3.3	+9.5	49.9	49.5	47.3	+0.4	+2.6
49.5	49.3	47.4	+0.2	+2.1	7.6	7.5	6.7	+0.1	+0.9
155.8	152.7	148.4	+3.1	+7.4	42.3	42.0	40.6	+0.3	+1.7
24.1	23.5	23.8	+0.6	+0.3	7.3	7.2	7.5	+0.1	-0.2
23.4	22.6	22.2	+0.8	+1.2	5.9	5.8	5.5	+0.1	+0.4
18.9	19.0	17.7	-0.1	+1.2	4.6	4.7	4.4	-0.1	+0.2
54.2	53.0	50.9	+1.2	+3.3	15.8	15.5	14.9	+0.3	+0.9
35.2	34.6	33.8	+0.6	+1.4	8.7	8.8	8.3	-0.1	+0.4
61.1	61.0	56.6	+0.1	+4.5	10.8	10.8	10.2	+0.0	+0.6
200.6	197.5	187.2	+3.1	+13.4	56.2	56.1	50.7	+0.1	+5.5
17.5	17.0	15.8	+0.5	+1.7	4.6	4.4	4.1	+0.2	+0.5
56.3	55.2	52.4	+1.1	+3.9	10.2	10.1	8.6	+0.1	+1.6
47.4	47.1	46.8	+0.3	+0.6	15.5	15.3	13.8	+0.2	+1.7
79.4	78.2	72.2	+1.2	+7.2	25.9	26.3	24.2	-0.4	+1.7
109.1	100.8	103.7	+8.3	+5.4	48.5	42.4	45.9	+6.1	+2.6

-- Prepared by Labor Market Information, Research and Analysis (CPS, 1/85)

NONMETROPOLITAN COUNTIES
LABOR FORCE AND EMPLOYMENT
September 1985

	Apache	Cochise	Coconino	Gila	Graham	Green-lee	La Paz
TOTAL CIVILIAN LABOR FORCE*.	15,252	29,050	36,825	12,600	7,625	2,175	4,775
Total Unemployment	2,125	2,350	2,925	1,425	825	350	875
Rate	14.0%	8.1%	7.9%	11.3%	10.8%	16.1%	18.3%
Rate (Seas. Adj.)**. . . .	14.6%	8.6%	9.2%	11.5%	11.2%	16.4%	-INA-
Total Employment	13,000	26,700	33,900	11,175	6,800	1,825	3,900
THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED FOR ECONOMIC ASSISTANCE PROGRAMS							
TOTAL WAGE AND SALARY. . . .	14,900	23,675	34,775	9,850	4,775	1,900	2,525
Manufacturing.	725	2,350	2,600	1,275	175	50	75
Mining and Quarrying	25	150	25	1,600	25	700	0
Construction	1,000	1,425	1,600	425	150	75	75
Trans., Comm., & Pub. Util..	1,875	1,500	2,350	325	275	50	50
Trade.	1,425	5,050	8,075	1,925	1,325	300	825
Fin., Insur., & Real Estate.	275	625	750	225	150	50	75
Services and Miscellaneous .	4,225	3,025	8,400	1,750	800	100	650
Government	5,350	9,550	10,975	2,325	1,975	575	775

	Mohave	Navajo	Pinal	Santa Cruz	Yavapai	Yuma
TOTAL CIVILIAN LABOR FORCE*.	24,125	25,525	31,200	9,025	33,400	37,725
Total Unemployment	2,475	3,050	4,075	1,875	2,025	8,475
Rate	10.3%	11.9%	13.1%	20.8%	6.1%	22.5%
Rate (Seas. Adj.)**. . . .	10.9%	13.2%	12.9%	19.2%	6.5%	-INA-
Total Employment	21,650	22,475	27,125	7,150	31,375	29,250
THE ABOVE LABOR FORCE STATISTICS SHOULD NOT BE USED FOR ECONOMIC ASSISTANCE PROGRAMS						
TOTAL WAGE AND SALARY. . . .	18,100	19,200	25,325	7,825	20,575	23,475
Manufacturing.	2,525	1,850	3,175	1,000	2,375	1,625
Mining and Quarrying	300	1,125	3,550	0	600	50
Construction	1,475	1,025	1,125	325	2,000	1,950
Trans., Comm., & Pub. Util..	1,125	1,600	1,150	550	875	900
Trade.	5,125	3,450	4,475	2,975	5,250	7,500
Fin., Insur., & Real Estate.	875	350	675	250	800	875
Services and Miscellaneous .	3,525	5,075	2,900	1,225	4,125	4,250
Government	3,150	4,725	8,275	1,500	4,550	6,325

*Adjusted to the Current Population Survey (CPS) to reflect place of residence.
**Seasonal adjustment not applicable for economic assistance programs.

NOTE--Series for Yuma and La Paz counties start January 1983. Data are not comparable to any past series.

Prepared in conjunction with the U.S. Department of Labor, Bureau of Labor Statistics.

ARIZONA LABOR FORCE AND EMPLOYMENT FOR ECONOMIC ASSISTANCE PROGRAMS
September 1985

County	Civilian Labor Force	Employment	Unemployment	Rate
Statewide	1,452,750	1,359,360	93,390	6.4%
Apache	15,127	13,001	2,126	14.1
Cochise	29,046	26,696	2,350	8.1
Coconino	36,823	33,900	2,923	7.9
Gila	12,593	11,167	1,426	11.3
Graham	7,636	6,802	834	10.9
Greenlee	2,163	1,817	346	16.0
La Paz	4,718	3,908	873	18.3
Maricopa	919,447	872,726	46,721	5.1
Mohave	24,117	21,639	2,478	10.3
Navajo	25,525	22,475	3,050	11.9
Pima	264,161	250,357	13,804	5.2
Pinal	31,204	27,125	4,079	13.1
Santa Cruz	9,014	7,149	1,865	20.7
Yavapai	33,391	31,364	2,027	6.1
Yuma	37,722	29,234	8,488	22.5

These figures are the only official BLS labor statistics to be used for revenue sharing purposes. They are not designed to be used as economic indicators. Note: Series for Yuma and La Paz counties start January 1983. Data are not comparable to any past series.

ESTIMATED HOURS AND EARNINGS OF PRODUCTION WORKERS IN SELECTED INDUSTRIES IN ARIZONA
September 1985

INDUSTRY	AVERAGE WEEKLY EARNINGS			AVERAGE WEEKLY HOURS			AVG. HOURLY EARNINGS		
	SEP.* 1985	AUG. 1985	SEP. 1984	SEP.* 1985	AUG. 1985	SEP. 1984	SEP.* 1985	AUG. 1985	SEP. 1984
FOR THE STATE OF ARIZONA*									
Manufacturing	390.26	385.52	368.10	40.4	40.2	40.9	9.66	9.59	9.00
Aircraft & Missiles	INA	INA	INA	INA	INA	INA	INA	INA	INA
Food & Kindred Products	350.84	334.05	319.48	39.2	39.3	39.2	8.95	8.50	8.15
Primary Metals	479.88	486.25	478.14	38.7	38.9	39.0	12.40	12.50	12.26
Machinery	353.03	346.43	327.18	39.8	39.1	41.0	8.87	8.86	7.98
Copper Mining	577.40	558.14	593.42	42.3	41.1	42.6	13.65	13.58	13.93
Construction	456.07	436.30	429.30	37.2	37.1	36.6	12.26	11.76	11.72
Utilities	561.12	561.12	560.77	42.0	42.0	44.4	13.36	13.36	12.63
Retail Trade**	243.21	245.78	234.94	33.5	33.9	34.5	7.26	7.25	6.81
Wholesale Trade	371.64	350.80	358.21	38.0	37.2	38.6	9.78	9.43	9.28

* Preliminary

** Excludes eating and drinking places.

NOTE--These estimates are based on a sample of full and part-time production and related employees whose payroll and hours are reported for the pay period which includes the 12th of the month. Prepared in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics.

--Prepared by Labor Market Information, Research and Analysis (1972 SIC, 1/84)

TURNOVER JOB OPPORTUNITIES
A SINGLE MAJOR IMPLICATION OF THE EMPLOYMENT SERVICE POTENTIAL (ESP) PROJECT

The U.S. Department of Labor, in conjunction with the state employment security agencies, collects labor turnover information from every employer covered by the state unemployment insurance laws. Turnover data can be derived through computer manipulation of the Unemployment Insurance Base Period Wages (UIBPW) and the Employer Name and Address (ENA) file. The derivation of turnover data from records submitted by employers in compliance with legal requirements makes it one of the most reliable labor market data series available. In Arizona, more than 95 percent of employment is covered by the unemployment insurance statutes. To produce counts on hiring activity, the UIBPW is matched against the ENA file. By using the above-mentioned technique, the article, "Labor Turnover: An Update," in the May issue of the Newsletter, provided quarterly data on turnover by county and for the state. The article also provided turnover data by industry for the 2nd quarter 1984. A complete report on turnover, which relates the turnover data to different economic conditions and their implications, is forthcoming.

The initial goal of the Employment Service Potential (ESP) project was to measure the total hiring activity taking place in a given market that could potentially be facilitated through the U.S. employment service offices. However, the potential use of turnover data by vocational and educational planners and for estimating occupational employment opportunities has surpassed the initial goal of the ESP project. In other words, the facts about hiring patterns in Arizona revealed by the turnover data have significance for a wider variety of areas.

This issue looks into one major significance, among many, that lies in the use of turnover data to estimate future occupational employment opportunities as opposed to current estimation by the Occupational Employment Statistics (OES) program. Under the current OES program, total job openings represent the number of openings due to growth of the industry and separations from the labor force. They do not account for labor turnover, i.e., openings created when a worker changes jobs, leaving the job to be filled by someone else. These vacancies are often the largest source of job openings. Job opportunities, however, vary among major industrial divisions largely depending on turnover rates. It is also important to note that within the industry, job opportunities are unique to a particular occupation. Unfortunately, the technique to estimate specific occupational turnover is yet to be developed. In this study, industry turnover rates are applied equally to all occupations within the industry. Secondly, the average new hire rates for a particular industry in 1984 are assumed to be realized in 1985-86.

Estimated job opportunities based on turnover data for Finance, Insurance, and Real Estate (FIRE) are projected for 1985-86 and then compared with the job opportunities based on industry growth and separations from the labor force. Table 1 shows the 1984 average new hire factor for different industries within FIRE. These rates are used to estimate 1985-86 total job opportunities in different occupations within the industry. Finally, job opportunities estimated for like occupations in different industries are then summed to find 1985-86 total job opportunities by occupation. The total job opportunities in 1985-86 resulting from turnover data are estimated to be more than 40,000, whereas job opportunities based on growth and labor force separations for the same year are below 5,000. Therefore, the occupational opportunities resulting from turnover in FIRE are more than eight times the traditionally reported opportunities from growth and labor force separations. Table 2 compares the estimates of 30 occupations with the largest employment opportunities from labor turnover and the estimated employment opportunities from growth and labor force separations.

FIRE is considered to be relatively stable and experiences only moderate turnover. Since numerous job opportunities exist even in this low turnover industry, an industry with high turnover such as construction,

retail trade, or services will have an enormous number of job opportunities by comparison.

By identifying job opportunities in each industry, turnover data can be used for future planning and training by vocational, educational, and other job training institutions throughout Arizona.

Jalal Ahmad

TABLE 1

ANNUAL NEW HIRE FACTOR
IN FIRE, STATEWIDE, 1984

Sic	Major Groups	New Hire Factor
60	Banking	.344
61	Credit agencies other than banks	.682
62	Security and commodity brokers, dealers, exchanges, and services	.595
63	Insurance	.426
64	Insurance agents, brokers, and service	.765
65	Real estate	1.389
66	Combinations of real estate, insurance loans, and law offices	.659
67	Holding and other investment offices	.966

SOURCE: Arizona Department of Economic Security, Research Administration.

TABLE 2

STATEWIDE ESTIMATES OF 30 OCCUPATIONS WITH LARGEST
EMPLOYMENT OPPORTUNITIES FROM LABOR TURNOVER IN FIRE

	Estimated 1985 Employment	1985-86 Turnover Job Opportunities	1985-86 Growth & Separations Job Opportunities
Managers & Officers	9,059	4,034	605
Secretaries	4,625	2,832	377
Sales Representatives, Agents & Associates, Financial Services	2,006	2,046	116
General Clerks	4,148	2,393	332
Maintenance Repairers, General Utility	1,638	2,191	48
Tellers	6,082	2,003	539
Gardeners & Groundskeepers	1,114	1,484	61
Sales Representatives, Agents & Associates, Insurance	2,360	1,282	128
Clerical Supervisors	2,074	934	131
Guards & Doorkeepers	681	858	15
Accounting Clerks	1,510	805	116

TABLE 2 (CONTINUED)

	Estimated 1985 Employment	1985-86 Turnover Job Opportunities	1985-86 Growth & Separations Job Opportunities
Bookkeepers, Hand	955	767	62
Food Service Workers	534	670	27
Maids	478	627	31
Accountants & Auditors	767	553	44
Typists	1,246	561	117
Underwriters (excluding Life Insurance Sales Agents)	921	505	60
New Accounts, Tellers	1,149	416	118
Credit Clerks	831	414	74
Collectors	886	386	64
Loan Closers	825	381	71
Receptionists	446	370	33
Claim Adjusters	736	357	40
Sales Representatives, Agents and Associates	662	354	45
File Clerks	803	339	76
Real Estate Brokers	253	333	14
Keypunch Operators	765	329	72
Switchboard Operators & Receptionists	416	308	32
Claims Clerks	626	300	50
Credit Analysts	707	278	63

SOURCE: Arizona Department of Economic Security, Research Administration.

NEW DEVELOPMENTS

"New Developments" is featured each month as a service to employers and job seekers. It is a compilation of public announcements of the more significant new construction, grand openings, major hirings and layoffs, and other employer events that have special significance for Arizona labor markets. The announcements are paraphrased and otherwise edited from articles published in newspapers and other periodicals from throughout the state. "New Developments" are limited to space available, and no attempt is made to compile an exhaustive list of all such events that have occurred during the month.

CONSTRUCTION: Western Savings broke ground on its new corporate headquarters at the southeast corner of 24th Street and Arizona Biltmore Circle Drive, adjacent to the Mansion Club, also owned by the savings and loan. The complex will include three buildings totalling 125,000 square feet on approximately 11 acres. The two-story, 80,000 square-foot headquarters building will feature one of Arizona's largest copper roofs.

Cardon Homes has started infrastructure improvements on a 400-acre residential community called "Amberlea" in west Phoenix. Located between 83rd and 91st avenues, just north of I-10, the first phase will consist of 136 homes built in a pinwheel cluster. Build-out is estimated at five years and, when completed, the community will have approximately 7,000 residents.

Steer West Profit Sharing Plan will develop a $60 million, 16-story office building at the southwest corner of Central Avenue and Camelback Road which will include 417,000 square feet of office space and five levels of underground parking. The building's north and east faces will feature windows of reflective blue glass accented by stainless steel "pinstriping." The project is

scheduled to be completed by the end of 1987.

Del E. Webb Construction Services Co. has begun work on the $39 million, 362-room Phoenix Crescent Hotel, a commercial traveler hotel at Interstate 17 and Dunlap Avenue. The 281,000 square-foot, post-tension concrete facility will employ about 275 people, according to Nickolaus Klotz, Crescent Hotel's president. The Phoenix Crescent will anchor a business park which will be developed in incremental phases during the next five years. It will offer more than 700,000 square feet of office space. The hotel itself will be eight stories high, and will feature a restaurant, conference facilities, and 20,000 square feet of meeting space. It is scheduled to open in November 1986.

Construction is under way on the Chandler Compadre Stadium at Bogle Park, the future site of the Milwaukee Brewers' spring training camp. Located within the 2,700-acre Ocotillo master-planned community at Alma School and Ocotillo roads, the stadium is expected to be complete by spring 1986. When not in use for Cactus League baseball games, the 20-acre park complex will be utilized for community events and as a recreational park.

Tucson has been selected by Del E. Webb Corp. as the site of its next active adult community outside the Phoenix area. They have signed a letter of intent to purchase the 1,000-acre North Village portion of Rancho Vistoso northwest of Tucson, a 7,000-acre proposed planned community. "While Tucson has many similarities to Phoenix, its distinct differences appeal to an alternate market," said Fred Kuentz, Del E. Webb Development Co. chairman. "Both enjoy moderate cost-of-living indices, but Tucson has a more moderate climate, which is important to migrating adults." Kuentz said 300 of the 1,000 acres will be maintained as natural open space. Of the remaining 700, 130 acres will be used for a golf course, leaving 570 acres for residential and commercial development. Potential population is estimated at 5,000.

MORE LAYOFFS, PAY CUTS - Motorola's Semiconductor Products Sector is once again laying off employees due to the depth and duration of the semiconductor-market downturn. Between 400 and 500 employees are expected to accept early-retirement offers, and 300 to 400 will be laid off, furloughed, or transferred. The company is asking some European employees to quit, and all remaining U.S. employees will see graduated salary cuts effective from October 1, 1985 to March 31, 1986.

Intel Corp. has reduced the salaries of nearly half its work force and will shut down production for six days in December in its U.S. operations, including semiconductor plants in Deer Valley and Chandler. The majority of Intel's 2,800 Arizona employees will take pay cuts ranging from 4 to 9.5 percent due to the industry slump. Intel, which laid off 200 workers in Arizona last year, hopes to avoid more layoffs by using salary cuts and freezing all merit-pay increases. It was pointed out that higher-paid employees face a larger cut, while workers at the low end of the pay scale will not be affected.

Eleven days after announcing upcoming layoffs for 400 to 500 workers at its plants in Tucson and Wichita, Kansas, Gates Learjet Corp. told 142 of its Tucson employees that they had only one more week to work. The remaining 900 or so employees in Tucson have been told that, in order to cut costs, wages have been frozen until the end of the year and officers and directors have taken voluntary reductions in pay.

NEW JOBS CREATED - Nineteen companies representing 10,090 new jobs decided to set up shop in Maricopa County during fiscal 1985 after obtaining information from Phoenix Metrogroup, a consortium of 11 Valley Chambers of Commerce. Metrogroup chairman Steve Jonland touted the tally in mid-September after the release of the group's first annual report. Nearly nine-tenths of the new jobs cited in the report will result from the siting of the new McDonnell Douglas Helicopters Co. (formerly Hughes Helicopters Co.) offices in Tempe and Mesa and the expansion of Sperry facilities in Glendale. According to Metrogroup's figures, 6,300 new jobs were created at McDonnell Douglas and 2,600 new jobs were created at Sperry.

Arizona Labor Market Newsletter
LABOR MARKET INFORMATION PUBLICATIONS
Site Code 733A
P.O. Box 6123
Phoenix, Arizona 85005

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4520 EAST-WEST HWY
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